

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS

Jointly Administered

**JOINT STATEMENT OF CERTAIN ADVERSARY DEFENDANTS REGARDING  
FURTHER EXTENSION OF GLOBAL STAY**

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (Bankruptcy Case No. 19-05523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Court Judge Laura Taylor Swain:

The Adversary Defendants,<sup>2</sup> consisting of certain defendants named in the complaint filed on May 2, 2019, commencing adversary proceeding number 19-00280-LTS (the “Adversary Proceeding”), in response to this Court’s *Order Partially Amending Order Addressing the Filing of an Amended Report by the Mediation Team and Extending (A) Stay Period, (B) Mandatory Mediation, and (C) Certain Deadlines Related Thereto (Docket Entry No. 9618) and Setting Deadline for Further Responses to Urgent Motion for Extension of Filing Deadline for Mediation Team Amended Report (Docket Entry No. 9638)* (Dkt. No. 9639, the “Order”), respectfully state as follows:

1. On July 16, 2019, the Adversary Defendants filed an opposition to the FOMB’s request for a stay of the Adversary Proceeding pending confirmation of a plan of adjustment.<sup>3</sup> By this statement, and for the reasons already outlined in the Stay Opposition, the Adversary Defendants object to the continued delay of briefing and adjudication of their motions to dismiss, which will raise case dispositive legal issues related to the Adversary Proceeding, as contemplated by any further extension of the global stay.

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<sup>2</sup> The Adversary Defendants consist of the following entities: Barclays Capital Inc.; BMO Capital Markets GKST Inc.; Goldman Sachs & Co. LLC; Jefferies LLC; J.P. Morgan Securities LLC; Merrill Lynch, Pierce, Fenner & Smith Inc. (successor to Banc of America Securities LLC) and Merrill Lynch Capital Services, Inc.; Mesirow Financial, Inc.; Morgan Stanley & Co LLC; RBC Capital Markets, LLC; Samuel A. Ramirez & Co., Inc.; Scotiabank de Puerto Rico; Santander Securities LLC and UBS Financial Services Inc. of Puerto Rico. The Complaint misidentifies various legal entities and incorrectly names as defendants other parties that were not involved in the underwritings or other matters implicated in the Complaint – including but not limited to BMO Capital Markets, Jefferies Group LLC, JPMorgan Chase & Co., BofA Securities and Scotia MSD. The incorrectly named parties, as well as the Adversary Defendants joining this Motion, reserve all rights and defenses relating to Plaintiffs’ incorrect identifications in the Complaint, including but not limited to defenses based upon lack of personal jurisdiction.

<sup>3</sup> See *Reply to Objection of the Official Committee of Unsecured Creditors to Joint Motion of Certain Adversary Defendants Seeking Entry of an Order Authorizing Participation in Determination of Constitutional Validity of Challenged Bonds and Opposition to Urgent Motion for Stay of Adversary Proceeding Supplemental to Pending Motion to Stay GO Bond Proceedings Pending Confirmation of Commonwealth Plan of Adjustment* (Dkt. No. 8028, the “Stay Opposition”).

2. The schedule for briefing the constitutional validity of the challenged GO Bonds included in the *Interim Case Management Order* (Dkt. No. 9619), and the Adversary Defendants' participation therein, is a positive development. However, the Adversary Defendants continue to object to the global stay as applied to the Adversary Proceeding. As further articulated in the Stay Opposition, there are substantial, independent legal issues that could be dispositive of the claims in the Adversary Proceeding, or at the very least serve to limit drastically the scope of the issues that this Court will need to adjudicate. (*See Stay Opposition* ¶¶ 15-17.) The Adversary Defendants reiterate their request that their motions to dismiss be removed from the global stay and this Court set a schedule for briefing those motions.

3. In accordance with the Order, the Adversary Defendants submit this brief statement of their objection to the extension of the global stay. Additionally, the Adversary Defendants expressly reserve all rights, including but not limited to the right to submit a more fulsome objection in the event a further stay is requested upon the filing of the Mediation Team's Amended Report, or at any other time.

Dated: December 27, 2019

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